

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY (CRA)  
8<sup>TH</sup> FLOOR CONFERENCE ROOM  
CITY HALL**

**TUESDAY – OCTOBER 8, 2002 – 3:00 P.M.**

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Mayor Naugle called the meeting to order at approximately 3:05 p.m. Roll was called and a quorum was present.

Present: Mayor Naugle  
Commissioner Smith  
Commissioner Moore  
Commissioner Hutchinson

Absent: Commissioner Katz

Also Present: City Manager  
City Attorney  
City Clerk

**Minutes of the September 10, 2002 and September 17, 2002 Regular Meeting**

**Motion** made by Commissioner Smith and seconded by Commissioner Hutchinson to approve the minutes of the Regular CRA Meetings of September 10, 2002 and September 17, 2002.

Roll call showed: YEAS: Commissioners Hutchinson, Smith, Moore and Mayor Naugle. NAYS: None.

**Architectural and Architectural Landscape Professional Services Consultant**

**Motion** made by Commissioner Moore and seconded by Commissioner Hutchinson to approve entering into negotiations for a contract with four landscape architectural and architectural professional firms as recommended by the Selection Committee and the CRA Advisory Board.

Roll call showed: YEAS: Commissioners Hutchinson, Smith, Moore and Mayor Naugle. NAYS: None.

**CRA Incentive Programs for Projects Under \$5,000,000**

**Motion** made by Commissioner Moore and seconded by Commissioner Smith to approve the Strategic Investment Program, Flagler Heights Investment Streetscape Program and the Housing Investment Program.

*Kim Jackson*, CRA Director, stated that Tom Kohler, Consultant, assisted them in creating a policy for incentives in the range of \$1 Million to \$5 Million. She explained that Mr. Kohler had prepared three distinct programs and would give a presentation to the CRA Board. The three programs would focus on housing programs, streetscape programs, and commercial incentive programs for the Midtown Business District. Ms. Jackson stated that she would like the Commission to review the programs and supply the CRA with any comments so they could then implement them and combine the policy with the Real Estate Development Accelerator Program (REDA).

*Tom Kohler*, Vice-President of Real Estate Research Consultants, stated that he was hired to prepare incentive programs for projects \$5 Million or less. He explained that he had broken this down into three elements as follows: Midtown Retail Mixed Use Commercial Development Incentive Program, a Streetscape Program, and a Housing Investment Program.

Mr. Kohler explained that the Midtown Strategic Investment Program was to serve as a catalyst to redevelop the Sistrunk Corridor. He stated that they developed a program which met the CRA's objectives. There would be a three-step analysis. One was the CRA's objectives, another to obtain outside business plan and financial analysis, and the last was to arrive at criteria to determine how much should be invested per project.

Commissioner Smith asked for a clarification of the Midtown boundary. Commissioner Moore replied that the boundary was from 7<sup>th</sup> to 24<sup>th</sup>.

Mr. Kohler further stated that regarding the Midtown Strategic Plan the program was based on a weighted element. He explained there were six criteria as follows:

- Urban Design
- Leverage Ratio of Investment to Incentive Dollars
- The Project as a Minimum Equity
- Project's Financial Relationship with Other Investors
- Project Construction within a Certain Period of Time
- Project's Tax Increment Revenues would Equal or Exceed the Dollar Amount within a 10-Year Period.

Mr. Kohler stated that based on the above criteria any application submitted could be reviewed to see if it met the ratios which were set up on a scoring range as follows:

10-14	Eligible
14-17	Eligible with Funding
17 or above	Not Eligible

Mr. Kohler stated the next step would be to get an outside source to review the business plan. An issue which was continually raised by the Advisory Board was that the projects had to be creditable, and therefore, business plans had to be presented.

Mr. Kohler continued stating that once you had gone through the weighted criteria and the financial plan, the third element depended on the size of the investment. He explained that the formula used was based on the millage rate and the incentive with the re-investment back into the tax increment. Bonuses would be given for additional incentives based on equity participation, minority owned involvement, and the number of employment opportunities that would be generated.

Commissioner Moore clarified that the plan would be for 15 years. Mr. Kohler confirmed.

The City Manager asked about the bonus for minority owned interests and he asked if this would extend to women. Mr. Kohler explained it would be based on whatever criteria was established. Ms. Jackson stated that the Advisory Board felt it was all inclusive. Commissioner Moore suggested that a definition be included covering minority owned interests. The City Manager stated they would include the MBE and WBE.

Commissioner Smith stated that this plan had been well thought out and he felt they should consider inserting in the criteria a heavier weight for projects of home ownership. Mr. Kohler stated this would be covered in the housing section of the plan.

Mayor Naugle clarified that this plan would include residential and mixed-use. Mr. Kohler confirmed and further stated that there were limited sites for development because the depths of the lots were very narrow. Discussions would be held in connection with how they would deal with these types of sites. Mr. Kohler explained that these were all separate programs, but how the policies would be dealt with could be consistent.

Commissioner Smith clarified that the present zoning was CB. Commissioner Moore stated that it was commercial, but the community had emphasized that the

only way this would work would be to deal with 24 hours of people on the roadways. Therefore, it was their desire to have a mixed use.

Commissioner Moore stated that due to the size of the lots, he hoped they would not include anything that would reduce a person's interest in development in the area. He felt that if you focused on home ownership, you could discourage people willing to invest. He believed there was a need to deal with the increment with the development, as well as the opportunity of getting investments which would create employment opportunities. People who had shown interest in the area included retail and housing, but it was done all in one building. He did not want to give anyone an advantage due to the fact that they were going to put rental units above the retail because it was the community's desire to have a mixed use.

Mr. Kohler proceeded to explain the Flagler Strategic Investment Streetscape Program. He explained this was any development within the outlying designated neighborhoods as long as they were constructing a new sidewalk or reconstructing an existing one, that the project met the objective of the CRA, and preferences would be given to those which connected to an existing or funded streetscape element. He stated there was a lot of discussion with the CRA Advisory Board. Mr. Kohler explained there would be a Developer's Agreement executed. He stated the developer would build the sidewalk and then get reimbursed by the CRA based on the terms of the agreement and once it was determined that it met all the City's requirements.

Mr. Kohler stated that the CRA would establish a matching-share criteria on an annual basis. If the project was a single purpose/stand-alone, it would be eligible for a third of the streetscape construction within the public right-of-way. If the project had two or more uses, it could be eligible up to 50% within the public right-of-way. Eligible projects would be given preference to those connecting to streetscape funded projects.

Commissioner Smith asked if the projects were the ones listed on the map. Ms. Jackson clarified that some of those were the larger projects that would fall under the RITA Incentive Program. She stated there were only three listed on the map which would fall under the subject program.

Mr. Kohler stated that there would be two windows per year to apply for this plan and it would not be on a first-come, first-serve basis.

Mr. Kohler then proceeded to explain the Housing Incentive Program. He explained that the consensus of the interviews which he had with a number of people in the community brought out the following differences: Percentage of owner over rental units, the definitions of affordable and density, and the need to

establish a target area. He proceeded to show a profile of the costs of a construction project within the Midtown area based on land value estimates.

Mr. Kohler stated there were four criteria listed for the Housing Incentive Program. He explained that quality of design was a high priority, along with minimum equity. Another factor listed was that the project have a 12-16 month time line. The other item listed was that the project tax increment revenue be equal or exceed the dollar amount. He stated this plan had a 10-year time period and Midtown had a 15-year period because they needed a longer pay back. He stated that once again they would look at an outside plan and financial analysis to insure that the program contained the elements of a good project from a business standpoint.

Mr. Kohler proceeded to explain that the funding would be determined on the number of units and those set aside for affordable housing. It was recommended they use 120% of median which would present the greatest opportunity for a mixed income within the entire area. This was an objective of the CRA. He further stated that there would not be large projects and they would consist of approximately 32-40 units. If it was a mixed use the number could be cut in half. Mr. Kohler proceeded to show a profile of costs for both a rental and sale program.

Mr. Kohler stressed that there were other opportunities available. He stated that there were two items which could assist the incentives, and those were to accelerate the development review and permitting process.

Commissioner Moore stated that the affordable unit time line was listed as a 10-year period, and he believed it should be for 15 years. He proceeded to ask how they had arrived at a 10-year figure. Mr. Kohler stated that he did not recall discussing this matter, and a 15-year criteria was used for Midtown and 10 years for Flagler due to land values. Commissioner Moore clarified that he was talking about the investment for rental development. Mr. Kohler stated that it might have been linked to the length of the mortgage. Commissioner Moore stated that he was concerned when the scoring criteria stated that it "should" be funded instead of saying "must" or "shall."

The City Attorney stated that if one meant "shall," then one must say "shall." Should implied that it was discretionary.

Mr. Kohler stated that on page 12, there was a draft application form and he proceeded to read the language. Commissioner Smith stated that it appeared that after the scoring, the only criteria was the availability of funds and he did not want this misconstrued. He believed they needed a good developer.

Commissioner Smith asked if they were going to pay the incentives up front since some of the RITA projects were paid over the length of the subsidy. Ms. Jackson stated that this was a budgetary question. Funds would become available from these projects and would immediately provide a certain amount of money similar to the JPI. Funding was also available through low-interest loans, and general TIF could also be put in and budgeted for these types of projects. Until they began reviewing the volume of the applications and budget this, she was not sure if they would have to spread this out or subsidize it up front. She explained that with paying it out over time, they kept control over the projects longer. She suggested they let the program begin and then they could return with a budget revision and have Commission address one of the two scenarios or both, and provide the CRA with the flexibility to do both.

Commissioner Smith stated that he did not know if they had discussed the possibility of having CRA projects guaranteed an expedited service. Ms. Jackson stated that they had not discussed this within the realm of this program either internally or with the Advisory Board, but staff had been working with Construction Services and some of the other departments on creating a strategy to better facilitate the process. She explained there was an expedited process currently available. Commissioner Smith remarked that it was contingent on the size of the project, and he believed they could make a policy decision that if it was a new CRA project and it met the criteria, then it could proceed to the expedited program. Ms. Jackson stated it was still necessary for them to do some more work on this because they still ran into snags in the JPI program. Commissioner Smith stated that if this was a problem, then they needed to deal with it.

Commissioner Moore stated it was very clear to him that in reading Reverend White's comments regarding the permitting process, it needed further consideration in the CRA area. He believed that when a developer presented a proposed plan for new development with no requests for variances, then the project should be expedited. He felt a lot of the problems were with the architects, but staff was being criticized. He suggested that a method be devised whereby a developer presenting a "clean" submittal, be given a reduced fee. In his opinion, this would be an incentive for them to do things right from the beginning.

Mayor Naugle stated that at the last meeting, the Commission heard that plans were being sent back to the architect over and over again, and they should be given just one bite of the apple.

Commissioner Moore stated that he saw a number of problems with that concept. He stated that staff bore the brunt of criticism for errors. Commissioner Smith stated that they needed to better support staff.

The City Manager stated that at the last meeting Cecelia Hollar and John Smith explained that with the on-line review method, plans could be submitted and check the status of the project. The City Manager stated that everyone had been working together on this and they were close to developing a program that the City Commission could adopt which would accomplish what they were seeking. He advised the Commission that not all the CRA projects would be \$5 Million or less. There could be some potential major undertakings which would not fall into the expedited programs. Commissioner Moore stated that he was discussing the projects which would be \$5 Million or less. The City Manager reiterated that he wanted to look at this from a balancing perspective and then return with a recommendation.

Mayor Naugle clarified that the City Manager would make some recommendations at the next CRA meeting in November.

Commissioner Smith asked if that would pertain to long-range planning or short order. The City Manager remarked that it would be short order.

Ms. Jackson stated that the item recently approved which would give the CRA architects could be a tool to use in double-checking projects.

Commissioner Smith stated that he preferred a heavier weighting be given to home ownership programs in Flagler Heights.

Mayor Naugle agreed and stated this could be done in various ways. One way would be to delay any incentive for rentals until they saw how the program would progress, and another way would be to have 30% as rentals and 70% home ownership.

Ms. Jackson stated that since they were not yet aware of the volume, she suggested having the window opened 3 times a year. Commissioner Smith stated that he preferred if home ownership projects came in, they would get first choice at the subsidy.

Commissioner Moore stated that it was not a sin to be a renter. He felt they would be limiting the market and the individuals due to having to qualify. He believed it was necessary to have a market place that could deal with renters. He did not want renters to be discouraged from becoming homeowners.

Mayor Naugle stated that the City had a ratio of 50/50 for rentals and homeowners and they were one of the lowest cities in the County. He felt their goal should be 70/30. Mayor Naugle mentioned various rental projects and stated that one option could be to offer a subsidy of 25% if the units were affordable.

Commissioner Smith stated that priority could be given to “for sale projects” with an affordable housing component, or they could require that affordable housing be provided. Commissioner Moore stated that he was concerned that the only way someone got to affordable housing was having somewhere to live prior to that time. He explained that renters were still people of good character. Commissioner Smith stated that it appeared to be easier to build rentals and receive financing, therefore, he believed they needed to discourage this type of development. Commissioner Hutchinson stated that rentals could still be built, but they would not receive the incentive.

Mayor Naugle reiterated that the incentive could still be received for affordable units.

Commissioner Smith suggested that it be tiered. The first priority to receive the subsidy should be the “for sale product” with affordable housing. The second priority could be rental with affordable components. The third priority would be “for sale” without affordable components, and the last item would be strictly rentals.

Ms. Jackson asked if a rental project came in that had no affordable components, would the streetscape programs stay on their own and go towards rentals as well. Commissioner Smith felt that would provide a loophole for someone to do a rental because they could receive the subsidy through streetscape.

Mayor Naugle stated that he preferred streetscape for ownership.

The City Manager asked if anything was presently in the pipeline that would be volative under this new policy.

Ms. Jackson replied there was nothing in the pipeline at this time. Everything dealt with homeownership and they would qualify for both programs. She explained that some of them would not need incentives and they should not be encouraged to apply for them. She stated that New Urban Communities was built and was financeable without incentives. She continued stating that they did want to provide streetscape in order to upgrade the street and the project. Ms. Jackson also stated that New Urban Communities were for sale and were not affordable.

Commissioner Smith stated that they should require affordable housing to be provided.

Mayor Naugle stated that a “for sale” was only affordable for the person buying it. Commissioner Smith suggested that a requirement be attached that the owner had to live in the home for a certain period of time or the subsidy would have to be paid back.



Ms. Jackson stated that the lender would be the one having the problem.

Mayor Naugle stated that the only way for ownership to be affordable was to have smaller units. Commissioner Moore stated that he could buy a home and then rent it the following day. Commissioner Smith asked if money was put into the rehabilitated home programs could the people move out and rent it. Commissioner Moore replied they could not do that.

Mayor Naugle stated that the discussion was centered on the incentive being structured as a downpayment. Ms. Jackson remarked that it was not presently set up in that manner.

Mayor Naugle remarked that Commissioner Katz was unable to attend today's meeting due to being ill. The City Manager stated that Commissioner Katz was always interested in the incentive programs.

Commissioner Moore stated that they should require that a certain percentage of housing be affordable even if the money was given to the developer. This way an opportunity was provided for someone to obtain affordable housing. These people needed this and were not doing it for investment purposes.

Commissioner Smith stated that people would be better off attempting to purchase affordable housing instead of trying to rent an apartment.

Ms. Jackson suggested that since many modifications were suggested and focus was on the affordable component, she asked if they could return to the Advisory Board and discuss the affordable component and look at what that entailed.

Commissioner Moore stated that he felt true change would happen in the CRA. He did not see a problem in requesting that up to 25% be reserved for affordable housing. He believed that affordable was whatever Broward County determined it to be. Commissioner Smith agreed.

Mayor Naugle stated that rentals would be last on the list if it was not affordable.

Ms. Jackson clarified that streetscape was not applicable for rentals.

Motion made by Commissioner Moore and seconded by Commissioner Smith to approve the incentive package as discussed.

Roll call showed: YEAS: Commissioners Hutchinson, Smith, Moore and Mayor Naugle. NAYS: None.

**Disposition of CRA Property Located at 401 NW Sixth Street**

Motion made by Commissioner Moore and seconded by Commissioner Hutchinson to approve the issuance of an RFP for CRA property at 401 NW 6<sup>th</sup> Street.

Roll call showed: YEAS: Commissioners Hutchinson, Smith, Moore and Mayor Naugle. NAYS: None.

**Fort Lauderdale Community Redevelopment Plan Revision for the Northwest-Progresso-Flagler Heights Expansion Area.**

Motion made by Commissioner Hutchinson and seconded by Commissioner Smith to approve the CRA's plan for redevelopment for the above-mentioned area.

Roll call on motion: YEAS: Commissioners Hutchinson, Smith, Moore and Mayor Naugle. NAYS: None.

Mayor Naugle stated that they needed a strategy in order to get this through the County Commission. He felt they needed the support of the community and the district county commissioner. Commissioner Smith remarked that he had asked staff for a GIS map showing the overlay of the representatives and the boundaries. Mayor Naugle reiterated that the representatives needed to be on board in order to sponsor this program.

Doug Blevins, South Middle River Civic Association (SMRCA), stated they were working in an effort to reach out to the County and asked if the Commission could get the item on the agenda either later in the day or earlier because they were trying to get a lot of people to attend.

Mayor Naugle stated they would attempt to get a time certain.

**Sistrunk Boulevard/NE 6<sup>th</sup> Street Streetscape and Urban Enhancement**

Motion made by Commissioner Moore and seconded by Commissioner Hutchinson to approve as presented.

Roll call showed: Commissioners Hutchinson, Smith, Moore and Mayor Naugle. NAYS: None.

Commissioner Moore stated this was excellent and asked who was going to enforce this.

Ms. Jackson stated that this appeared on the agenda at the request of the City Commission. She stated they were not in position to manage the Code Department, nor was it their intent to do so. She stated that the management of this program had been between Ms. Outlaw and herself, along with Brenda Kelley, the CRA Urban Design Planning Manager, and Lori Milano from staff.

Commissioner Moore asked if that was a problem. Ms. Jackson stated it was not a problem as of this time.

Commissioner Smith stated that this program would require a special set of inspectors and he was concerned that the right thing would not be done. Commissioner Moore stated that he hoped they would return with a conclusion of their concept and its implementation.

The City Manager stated that they would have to work with the County on this matter and there have been in-house cooperative efforts.

Commissioner Smith stated that he was willing to allow the target area to be where it should be, but NW 8<sup>th</sup> Avenue needed to be included as a target area in the future.

Roll call showed: Commissioners Hutchinson, Smith, Moore and Mayor Naugle.  
NAYS: None.

There being no further business, the meeting was adjourned at approximately 4:05 p.m.